

# SUMMARY ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Dutra Analyst: Marion Mann DeJong Bill Number: AB 2288

Related Bills: See Prior Analysis Telephone: 845-6979 Amended Date: 05/08/2000

Attorney: Patrick Kusiak Sponsor:

**SUBJECT:** Statewide Residential Property Tax Offset Credit

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED/AMENDED \_\_\_\_\_ STILL APPLIES.

☒ OTHER - See comments below.

### SUMMARY OF BILL

This bill would increase the homeowners' property tax exemption amount for first-time homebuyers.

Under the Personal Income Tax (PIT) Law, this bill would create a credit for taxpayers who own a principal residence with a fair market value (FMV) not in excess of 150% of the median sales price of a home in the county in which the residence is located.

### SUMMARY OF AMENDMENT

The May 8, 2000, amendments added the provision to increase the homeowners' property tax exemption.

The May 8, 2000, amendments also deleted the provisions that would modify when a change in ownership of real property occurs for purposes of the ad valorem property tax (revenue increase) and reduce the state sales and use tax rate (revenue decrease). Any net revenue increase from the difference between this property tax revenue increase and the sale and use tax revenue decrease was to be used to fund the income tax credit. Thus, the income tax credit could not be implemented without these provisions.

According to the author's staff, the author also intended to delete the income tax credit provision but it was inadvertently left in the bill. The author's staff indicated that the bill would be amended again to remove the income tax credit. As proposed to be amended by the author, this bill would no longer impact the programs administered by the department.

### Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

### Legislative Director

### Date

Johnnie Lou Rosas

5/24/00